

USPS-R Calendar Year-end Review

Calendar Year 2020



Changes for 2020



2020 Changes-Submission Files-State Files

- To create State submission file(s) Go to **Reports/W2 Report/Submission/W2 State Options** tab

USPS: Axson (Demo) Schools - admin

Home Core Payments Payroll Processing Reports System Utilities USAS Integration

W2 Report Options W2 City Options **W2 State Options**

Output Type Report
 Submission
 Forms
 XML

Format * PDF (download) ▾

Report Title W2 Report

Federal ID Number 54-8825427

State ID Number 28-6186160

Kind of Employer * S, State and Local Governmental Employ ▾

Sort Options * Employee SSN ▾

Report for Year * 2019 ▾

Include Fringe Benefits in Box 14?
 Report Employees with errors only?

Select Payroll Items to print in box 14 (maximum of 3 selected will print in box 14, leave empty to not include specific payroll items in box 14)

Select Payroll Item Configuration and click Add:

2020 Changes – State Files

- State of Ohio encourages all employers to submit their W-2 information on OBG electronically regardless of how many W-2 forms they issue.
 - **NOACSC currently does this for each district**
 - Possible changes coming for 2021

2020 Changes – State Files

- State of Indiana is requiring electronic file submission for employers with 25 or more W-2 forms
 - There is an option to create the IN submission tape file
 - Contact NOACSC for this option

2020 Changes – State Files

- State of Michigan is requiring electronic file submission for employers with 250 or more W-2 forms.
 - There is an option to create the MI submission tape file
 - Contact NOACSC for this option

2020 Changes – State Files

- State of Kentucky – electronic file submission required for employers with 100 or more
- State of West Virginia – electronic file submission required for employers with 50 or more
- State of Pennsylvania – all submissions must be electronic

2020 Changes – FFCRA Reporting

Families First Coronavirus Response Act (FFCRA)

- The **Families First Coronavirus Response Act (FFCRA or Act)** requires certain employers to provide their employees with paid sick leave or expanded family and medical leave for specified reasons related to COVID-19. The Department of Labor's (Department) Wage and Hour Division (WHD) administers and enforces the new law's paid leave requirements. These provisions will apply from the effective date through December 31, 2020.
- Generally, the Act provides that covered employers must provide to **all employees**:
- **Self**-Two weeks (up to 80 hours) of **paid sick leave** at the employee's regular rate of pay where the employee is unable to work because the employee is quarantined (pursuant to Federal, State, or local government order or advice of a health care provider), and/or experiencing COVID-19 symptoms and seeking a medical diagnosis; or
- **Other**-Two weeks (up to 80 hours) of **paid sick leave** at two-thirds the employee's regular rate of pay because the employee is unable to work because of a bona fide need to care for an individual subject to quarantine (pursuant to Federal, State, or local government order or advice of a health care provider), or care for a child (under 18 years of age) whose school or child care provider is closed or unavailable for reasons related to COVID-19, and/or the employee is experiencing a substantially similar condition as specified by the Secretary of Health and Human Services, in consultation with the Secretaries of the Treasury and Labor.
- A covered employer must provide to **employees that it has employed for at least 30 days**:
- **Emergency**-Up to an additional 10 weeks of **paid expanded family and medical leave** at two-thirds the employee's regular rate of pay where an employee is unable to work due to a bona fide need for leave to care for a child whose school or child care provider is closed or unavailable for reasons related to COVID-19.

2020 Changes-FFCRA Reporting (continued)

- Enter FFCRA amounts on Federal 001 record for each employee
 - Qualified Sick Leave Wages for Employee (self) \$511.00 per day limit
 - Qualified Sick Leave Wages for Others up to \$200.00 per day limit
 - Qualified Family Leave Wages for employee taking care of children because school or day care is closed or unavailable for reason related to COVID-19
 - Up to 10 weeks paid leave which is 2/3 of employee pay
- All related information must be tracked by the district on a spreadsheet and can then be manually entered or Mass Loaded on the Federal 001 Payroll Item. ***Note** this data will only appear on the W2 Report as well as in Box 14 on the Employee's W2. The data is **NOT** submitted on the tape file and would need to be reported using Worksheet 1 for the 941 <https://www.irs.gov/pub/irs-pdf/i941.pdf>. (Remember that since most school districts do not withhold Social Security they more than likely would not qualify for a reimbursement)
- **This information (up to 3 options-Remember Vehicle Lease) will be available on the W2 Report and in Box 14 on the W2. Defined as following on the W2.**
 - COVID-SE
 - COVID-OT
 - COVID-EM

2020 W2 Report Errors

Warning messages are now grouped together with errors and info messages on the W2 Report:

- **Warning Federal Total annuities, \$xxxx.xx, does not equal total gross less taxable gross**
 - The W2 Processing program verifies that the annuity (generally in the 500-599 payroll items code range) payroll item amount equals the calculated annuity amount. The calculated amount is determined by taking the total gross and subtracting the taxable gross. The result is the amount of the annuity that was in effect while the tax was being withheld. If this calculated value differs from the totals on the annuity records, the warning appears.
This warning is often associated with a change that has been made to the taxable gross but no corresponding change was made to the total gross or vice versa. Manual adjustments in CORE/ADJUSTMENTS option to the annuity amounts may also cause this warning. Run the Audit Trail report to attempt to isolate these situations. If an annuity was in effect for only part of the year, this warning may appear and can be ignored.
- **Warning Payroll Item XXX: Negative annuity on file for this employee. Assuming zero.**
 - A total negative annuity indicates a check was voided from a prior calendar year in the current calendar year. Run the REPORTS/PAYMENT TRANSACTION STATUS REPORT option to attempt to isolate the problem. If this is the case, you will need to zero the negative amount of the annuity and file a W2-C form for the previous calendar year
- **Warning Employee last name contains a comma**
 - Check employee's last name for a comma and remove
- **Warning Federal Total , \$xxxx.xx, does not equal total gross less taxable gross**
- **Warning Payroll Item XXX: Negative amount payroll item can not be reported on W2, reporting zero**
 - This message indicates a check was voided from a prior calendar year in the current calendar year. Run the REPORTS/PAYMENT TRANSACTION STATUS REPORT to attempt to isolate the problem. If this is the case, you will need to file a W2-C form for the previous calendar year.
- **Warning Possible medicare discrepancy detected for amount over 200,000. Amount calculated = \$xxxxxx.xx**
 - This warning will appear if medicare wages are over \$200,000.00 and the medicare amount on the Payroll Item is not within 30 cents of the calculated value. This warning will allow the submission file to be written.
- **Warning Payroll Item XXX: No state ID on payroll item configuration**
 - This warning will appear if No state ID is entered on the State Tax Payroll Item configuration
- **Warning Federal gross is zero**
 - The employee has no gross amount on the Federal tax record (001).
- **Warning Payroll Item XXX: Calculated annuity amount exceeds the total annuities**
 - The calculated annuity value is larger than the amounts showing on the annuity (generally in the 500 through 599 Payroll Item code range) records. The calculated amount is determined by subtracting the taxable gross from the total gross.
Manual changes may have been made to the payroll items. It is possible the total or taxable gross was changed incorrectly due to an error adjustment, thus causing the calculated annuity amount to be too high.
- **Warning Payroll Item Employer Health Coverage: Negative amount payroll item can not be reported on W2, reporting zero**

2020 W2 Report Errors

Control #: 42 **SSN:** 999914640 **Name:** Justin Danielle Branch

Code	Desc	Tax Withheld	Taxable Gross	Total Gross	Annuities
001	Federal Tax	0.00	224.78	249.76	24.98
002	Ohio State Tax	0.00	224.78	249.76	24.98
003	City Tax	3.75	249.76	249.76	0.00
692	Medicare Tax	3.62	249.76	249.76	
807	OSDI Tax	0.00	224.78	249.76	24.98

Retire Plan Box Checked

- Info** Payroll Item 807: Possible error in OSDI gross or tax.
- Warning** Federal Total annuities, 49.960, does not equal total gross less taxable gross.
- Error** Invalid SSN, verify SSN before printing W2's

2020 Changes - Other

- Removed Position Code 509-Linkage Coordinator Assignment
- HQPD data no longer needs to be reported.
- EMIS Appointment Type 4- Six hour Lay Teacher was removed.

FILING DEADLINE

- The Protecting Americans from Tax Hikes (PATH) Act, includes a new requirement for employers. They are now required to file their copies of Form W-2, submitted to the Social Security Administration, by **Jan. 31**.
- Deadline for submitting to NOACSC is **Friday, January 15th**.

Pre-W2 Processing

- FFCRA Reporting
 - On the Federal 001 record, add qualifying sick leave for:
 - Employee (self) - \$511.00 per day limit
 - Others – up to \$200 per day limit
 - Family Leave Wages – up to 10 weeks paid leave at 2/3 employee pay
 - Employee taking care of children because school/day care is closed for reason related to COVID-19
 - Will show on Box 14 on W2 as:
 - COVID-SE
 - COVID-OT
 - COVID-EM
 - Will not be submitted to SSA on tape file
 - Needs to be reported on 941 using Worksheet 1

Pre-W2 Processing



- OSDI abbreviations ****IMPORTANT-REQUIRED**** for proper reporting on W2.
 - Include OSDI code number and district name in the W2 Abbrev field on the School District **Payroll Item Configuration** record. Filter grid for 800 codes.

Payroll Item Configuration

✓ Save ✕ Cancel

Type: OSDI Tax

abbreviation: MCWUOSDI

Osdi Code: 8604

Name: MILLCREEK-WEST UNITY

Payment Cycle: Monthly

W2 abbreviation: 8604 MWUNITY

Options

Suppress SSN ID Employer Health Coverage Voluntary

Required Show On Create Wizard

Payee Information

Payee: SCHOOL DISTRICT INCOME - TAX (Number:) (Address: P.O. BOX 182388, COLUMBUS, OH, 43218-2388)

Pre-W2 Processing (continued)

- Verify 'Entity code' in **Payroll Item Configuration** is completed for any magnetic reporting to any city.





Pre-W2 Processing (continued)

Payroll Item Configuration

Type	Code	Name
City Tax	003	Riverside Motors
abbreviation	W2 abbreviation	Payment Cycle
City Tax	City Tax	Quarterly
Tax Entity Code		
TEST		
CCA		
CCA	CCA Description	<input type="checkbox"/> Report To CCA
City Tax Annuity Options		
<input type="checkbox"/> Annuity 401 a	<input type="checkbox"/> Annuity 401 k	<input type="checkbox"/> Annuity 403 b
<input type="checkbox"/> Annuity 408 k	<input type="checkbox"/> Annuity 457	<input type="checkbox"/> Annuity 501 c
<input checked="" type="checkbox"/> Non Wages 125	<input type="checkbox"/> Other	<input type="checkbox"/> Wages 125
Options		
<input type="checkbox"/> Suppress SSN ID	<input type="checkbox"/> Employer Health Coverage	<input type="checkbox"/> Job Level
<input type="checkbox"/> Medicare Pickup	<input checked="" type="checkbox"/> Tax Employer Amounts	<input checked="" type="checkbox"/> Tax Non Cash Earn
<input type="checkbox"/> Voluntary	<input type="checkbox"/> Required	<input checked="" type="checkbox"/> Show On Create Wizard
Payee Information		
Payee		
Nicholls Signs (Number:) (Address: 909 Moore Drive, Savannah, OH, 42608)		
RITA		
RITA	RITA Description	
ezn	sbxcfxorp	



Pre-W2 Processing (continued)

- CCA/RITA Reporting
 - Verify values in **Payroll Item Configuration** are set
 - RITA/CCA codes are required for tax data to be included on a submission file
 - See information from RITA/CCA web sites on codes as defined

Pre-W2 Processing (continued)



Payroll Item Configuration

Save Cancel

Type: City Tax Code: 003 Name: Riverside Motors

abbreviation: City Tax W2 abbreviation: City Tax Payment Cycle: Quarterly

Tax Entity Code: zrqdmybg

CCA

CCA: CCA Description: Report To CCA

City Tax Annuity Options

Annuity 401 a Annuity 401 k Annuity 403 b
 Annuity 408 k Annuity 457 Annuity 501 c
 Non Wages 125 Other Wages 125

Options

Suppress SSN ID Employer Health Coverage Job Level
 Medicare Pickup Tax Employer Amounts Tax Non Cash Earn
 Voluntary Required Show On Create Wizard

Payee Information

Payee: Nicholls Signs (Number:) (Address: 909 Moore Drive, Savannah, OH, 42608)

RITA

RITA: 123 RITA Description: RIVERSIDE

Pre-W2 Processing (continued)

Payroll Item Configuration

Save Cancel

Type: City Tax
Code: 004
Name: Janis Bakery
abbreviation: City Tax
W2 abbreviation: City Tax
Payment Cycle: Monthly
Tax Entity Code: ynprobws

CCA

CCA: 456
CCA Description: Test
Report To CCA:

City Tax Annuity Options

Annuity 401 a
 Annuity 401 k
 Annuity 403 b
 Annuity 408 k
 Annuity 457
 Annuity 501 c
 Non Wages 125
 Other
 Wages 125

Options

Suppress SSN ID
 Medicare Pickup
 Employer Health Coverage
 Tax Employer Amounts
 Job Level
 Tax Non Cash Earn
 Voluntary
 Required
 Show On Create Wizard

Payee Information

Payee: Lyons Development (Number:) (Address: 1595 Eastmoor Drv, Needmore, OH, 36120)

RITA

RITA:
RITA Description:

Pre-W2 Processing (continued)

- Verify Payroll Item “Deduction Type” value must be on all city Payroll Item records that report to CCA or RITA
- Is this city **tax** record required because of the employees place of:
Employment or Residence

See the following web sites for complete details regarding C-Employment and R- Residence reporting for RITA and CCA:

- http://www.ritaohio.com/Businesses/Faqs?category=business_employerwthholding
- <http://ccatax.ci.cleveland.oh.us/?p=rulesregs#Section301>

The screenshot shows a payroll configuration form with the following details:

- Configuration Code: 005, BOWLING GREEN CITY TAX
- Configuration Description: City Tax
- Employee: HINES, VIRGINIA A
- Employee Number: [REDACTED]
- Position: 1
- Position Description: SUB TEACHER

The form includes several input fields and dropdown menus:

- Type: City Tax
- Rate Rate: [REDACTED]
- Rate: 0.0000
- Pay Cycle: Every pay of the month (even third pay)
- Additional With Holding: 0.00
- Deduction Type: [REDACTED]
- Start Date: [REDACTED]
- Stop Date: [REDACTED]
- Date: [REDACTED]
- Code 1: [REDACTED]
- Code 2: [REDACTED]
- Money 1: [REDACTED]
- Money 2: [REDACTED]
- Text: [REDACTED]

A green arrow points to the 'Deduction Type' dropdown menu, which is highlighted in yellow.

Pre-W2 Processing (continued)

- Payroll Item – Indiana County Tax

Payroll Item Configuration

Type <input type="text" value="City Tax"/>	Code <input type="text" value="200"/>	Name <input type="text" value="Indiana County Tax"/>
abbreviation <input type="text" value="IND CTX"/>	W2 abbreviation <input type="text" value="INDCTX"/>	Payment Cycle <input type="text" value="Quarterly"/>
Tax Entity Code <input type="text" value="123"/>		
CCA <input type="text"/>	CCA Description <input type="text"/>	<input type="checkbox"/> Report To CCA

City Tax Annuity Options

<input type="checkbox"/> Annuity 401 a	<input type="checkbox"/> Annuity 401 k	<input type="checkbox"/> Annuity 403 b
<input type="checkbox"/> Annuity 408 k	<input type="checkbox"/> Annuity 457	<input type="checkbox"/> Annuity 501 c
<input checked="" type="checkbox"/> Non Wages 125	<input type="checkbox"/> Other	<input checked="" type="checkbox"/> Wages 125

Employer Paid Amounts To Be Taxed

Select Employer Paid Amounts to be Taxed

Available Employer Paid Payroll Items:

623 - Duugansville Insurance - HRGuser	>
624 - Fort Stewart Gymnasium - Regular	<
625 - Washington Textiles - Regular	
626 - Mershon Manufacturing - Regular	
627 - Leesburg Manufacturing - Regular	
630 - Lincolnton Travel - Regular	
631 - Pineview Studios - Regular	

Tax Employer Paid Amounts for these Payroll Items:

690 - Shellman Bluff Landscaping - Employer SERS
691 - Waverly Accounting - Employer STRS
692 - Fitzgerald Textiles - Medicare Tax

Tax Employer Amounts

Options

<input type="checkbox"/> Succession SCD IR	<input type="checkbox"/> Employer Health Coverage	<input type="checkbox"/> 401 k Loan
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Pre-W2 Processing (continued)

- Payroll Item – Make sure states of IN or MI have the appropriate State ID populated on Payroll Item Configuration

Payroll Item Configuration

✓ Save ✕ Cancel

Type	Code	Name
StateTax	301	West Virginia State
abbreviation	W2 abbreviation	Payment Cycle
WV State	WV SState	Quarterly
State id		
123456789		

Options

<input type="checkbox"/> Suppress SSN ID	<input type="checkbox"/> Employer Health Coverage	<input type="checkbox"/> Voluntary
<input type="checkbox"/> Required	<input type="checkbox"/> Show On Create Wizard	

Payee Information

Payee

Manchester Development (Number:) (Address: 1103 Arch Square, Carrollton, OH, 11942)

State Annuity Options

Pre-W2 Processing (continued)

- Health Savings Account (HSA)
 - Annuity Type on the **Payroll Item Configuration** must be set to “Other” even if there are no employee amounts withheld





Pre-W2 Processing (continued)

Payroll Item Configuration

Type Health Savings Account ▼	Code 570	Name HEALTH SAVINGS ACCOUNT
abbreviation HSA	W2 abbreviation HSA	Payment Cycle Every Payroll ▼
Annuity Type Other ▼		

ACH Information

Ach Source
HealthSavingsAccountACH, Code: 001 ▼

Object Codes

Certified Object 241	Classified Object 251	Other Object
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Options

<input type="checkbox"/> Suppress SSN ID	<input type="checkbox"/> Employer Health Coverage	<input checked="" type="checkbox"/> Print Employer Amount
<input checked="" type="checkbox"/> Voluntary	<input type="checkbox"/> Required	<input type="checkbox"/> Show On Create Wizard

Payee Information

Payee
FIRST FEDERAL BANK (Number.) (Address: 211 S FULTON ST, WAUSEON, OH, 43567-) ▼



Pre-W2 Processing (continued)

- Employee Expense Reimbursements
 - If district desires amounts paid through warrant to appear on the W2 form as wages
 - Look at ‘Reimbursements of Employee Expenses’ options
 - Special processing through **Adjustments** may be needed
 - Manual changes may be needed



Pre-W2 Processing (continued)

- Excludable moving expenses ****Active Military Only****
- Reimbursements, including payments made directly to a third party, for ACTIVE MILITARY employees only, be entered in the **Adjustments** screen. The amount in this field is treated as an excludable fringe benefit
 - Contact legal advisor with questions
 - Manually enter excludable amounts into the Federal Tax field.

Adjustment Journal + x

Employee
Wright, Amber Lloyd - ANON295

Payroll Item
Type: Federal Tax, Code: 001

Type	Transaction Date	Amount	Description
Moving Expense	9/12/18	200.00	

Pre-W2 Processing (continued)



- Fringe benefit amounts

- Contact legal advisor with questions

- *Enter taxable amount in fringe benefit field in the **Adjustments** screen

- All tuition reimbursement above \$5250.00 are considered Fringe benefits and would be subject to regular taxation. So this figure would go in **Adjustments** under the Federal tax Payroll Item under the Fringe Benefit Type

Adjustment Journal

Save X Save + Save Cancel

Employee
Wright, Amber Lloyd - ANON295

Payroll Item
Type: Federal Tax, Code: 001

Type	Transaction Date	Amount	Description
Fringe Benefits	9/26/18	6,000.00	

Pre-W2 Processing (continued)

- When the Save button is clicked this will update the total and taxable gross fields for any Payroll Item that taxes **Fringe Benefits** (Federal, State). This is then reflected on the W2 Report.

Pre-W2 Processing (continued)

- **Life insurance purchased for withheld annuities-Notice received from annuity company-Entered in payroll before last pay.**
- **IRS Publication 15-B Section 2 pages 13-15 (<http://www.irs.gov/pub/irs-pdf/p15b.pdf>) contains the calculation table to figure the cost.**
- **In PAYROLL-CURRENT or the PAYROLL-FUTURE program, the amount should be entered choosing the Life Insurance Premium-Pay Type. This pay type represents one kind of non-cash earnings for the employee.**
- **This pay type will be treated differently for taxation purposes. For the Life Insurance Premium amount, the tax amounts for Medicare and Social Security will be calculated during the Initialization of the payroll. No Federal, Ohio, or OSDI tax amounts will be calculated. All of these will be treated according to the Federal rules. The software provides the ability to withhold city tax on non-cash earnings. This can be activated by setting the "Tax Non-Cash Earn" flag to Y (yes) on the city tax record on the Payroll Item Configuration screen.**

Life Insurance (continued)



- **Life insurance was not entered before the last pay:**
 - If the **Life Insurance Premium** pay type was not used prior to the last pay of the calendar year, the following manual procedure must be used in order for the **Life Insurance Premium pay** to show correctly on the W2 form and to insure that the Quarter Report balances. Follow these procedures prior to generating W2 forms.
 - **Core/Adjustments-** Click on Create: Find the Employee, choose 001 Federal Payroll Item, Type is Life Insurance, Transaction Date and Amount

Adjustment Journal

Save Cancel

Employee
Morse, Nancy Patty - ANON103

Payroll Item
Type: Federal Tax, Code: 001

Type	Transaction Date	Amount	Description
Life Insurance	9/12/18	100.00	

Life Insurance (continued)

- When the Save button is clicked this will update the total and taxable gross fields by for any Payroll Item that taxes **Life Insurance Premiums** (Federal, State, OSDI, City (if applicable) and Medicare). This is then reflected on the W2 Report.
- If the Medicare withholding was paid by the employee, employer or employee and employer, adjustments must be made to the Amount Withheld and Board Amount of Payroll Item. If Medicare is fully board paid (pickup) then the total adjustment should be made to the Board Amount of Payroll Item.

Pre-W2 Processing (continued)

- **Dependent Care**



- If not using the Dependent Care deduction type

- *Manually enter dependent care amounts in through the **Core-Adjustments** screen.

- *Max \$5000.00 per household

- **Core/Adjustments-** Click on Create:

A screenshot of a software interface titled "Adjustment Journal". At the top left, there are "Save" and "Cancel" buttons. Below them is a form with several fields:

- Employee:** Morse, Nancy Patty - ANON103
- Payroll Item:** Type: Federal Tax, Code: 001
- Type:** Dependent Care
- Transaction Date:** 9/12/18
- Amount:** 6,000.00
- Description:** (empty field)

Dependent Care (continued)

- When the Save button is clicked this will update the total and taxable gross fields by any amount above the \$5,000.00 threshold for any Payroll Item that taxes **Dependent Care** (Federal, State, City (if applicable)). This is then reflected on the W2 Report. The total amount of Dependent Care will appear in Box 10 on the W2.

Pre-W2 Processing (continued)

- Use of Company Vehicle
 - Calculate leased vehicle value
 - Manually enter leased vehicle **Core/Adjustments**
 - Click on Create:

The screenshot shows a software interface titled "Adjustment Journal" with a window control bar (+ x). Below the title are "Save" and "Cancel" buttons. The form contains several input fields:

- Employee:** A dropdown menu with the selected value "Morse, Nancy Patty - ANON103".
- Payroll Item:** A dropdown menu with the selected value "Type: Federal Tax, Code: 001".
- Type:** A dropdown menu with the selected value "Vehicle Lease".
- Transaction Date:** A date picker field showing "9/12/18".
- Amount:** A text input field containing "1,000.00".
- Description:** An empty text input field.

Vehicle Lease (continued)

- When the Save button is clicked this will update the total and taxable gross fields for any Payroll Item that taxes **Vehicle Lease** (Federal, State). This is reflected on the W2 Report and will appear in Box 14 on the W2.



Employer Sponsored Health Care Cost on W2

The Affordable Care Act requires employers to report the cost of coverage under an employer-sponsored group health plan. Reporting the cost of health care coverage on the Form W-2 does not mean that the coverage is taxable. This total includes the employee and employer payments for Medical Insurance. This is informational purposes only.

- **If any employee** is paying for their insurance out of pocket, this amount will need to be added as follows:
 - Go to **Core/Adjustments**
 - Click **Create**
 - **Employee**-Find Employee by typing in a few characters of first and last name. Choose employee
 - **Payroll Item**-Use Drop Choose Federal Tax 001
 - **Type**-From Drop Down Choose Health Insurance
 - **Transaction Date**-Enter in or choose a date from the calendar
 - **Amount**-Enter in Amount
 - Descri r a Description (optional)
 - Click

Employer Sponsored Health Care Cost on W2 (continued)

- **If the employee insurance** is paid half a year out of pocket and the other half through payroll, the amount paid by the employee will need to be added as follows:
 - Go to **Core/Adjustments**
 - Click **Create**
 - **Employee**-Find Employee by typing in a few characters of first t last name. Choose employee
 - **Payroll Item**-Use Drop Down Choose Federal Tax 001
 - **Type**-From Drop Down Choose Health Insurance
 - **Transaction Date**-Enter in or choose a date from the calendar
 - **Amount**-Enter in Amount
 - Description-Enter a Description (optional)
 - Click

Employer Sponsored Health Care Cost on W2 (continued)

Manually enter only amount **not** tracked in USPS system in **Core/Adjustments**- Click on Create:

Adjustment Journal

✓ Save ⌵ Cancel

Employee
Morse, Nancy Patty - ANON103

Payroll Item
Type: Federal Tax, Code: 001

Type	Transaction Date	Amount	Description
Health Insurance	12/12/18	600.00	

Employer Sponsored Health Care Cost on W2

- When the Save button is clicked this will update the total Employer Health Coverage withheld for W2 reporting purposes.

Employer Sponsored Health Care Cost on W2 (continued)

- Must **report the cost of employer-sponsored Health Coverage** in Box 12 using Code DD if the district filed 250 or more W2's for the preceding calendar year
- **Life, Dental and Vision** are not required to be included in the total if they are separate plans and not included as part of the medical plan
<http://www.irs.gov/uac/Form-W-2-Reporting-of-Employer-Sponsored-Health-Coverage>
- ****Note-**The contribution amount by Employee and Employer for **Health Saving Account (HSA)** is **NOT** to be included as employer-sponsored health coverage. This is reported in Box 12 using (Code W).





Employer Sponsored Health Care Cost on W2 (continued)

- The box “**Employer Health Coverage**” on the **Regular and Annuity Payroll Item Configuration**, plus any **Core/Adjustments-Health Insurance** entries, are used to calculate the Employer Sponsored Health Care Cost.
- If this **Employer Health Coverage** box is checked, the **YTD Payroll Item** totals will be included in the total moved to the employees W2 for Employer Health Coverage.



Employer Sponsored Health Care Cost on W2 (continued)

Payroll Item Configuration

Type	Code	Name
Annuity	501	Crawfordville Software
abbreviation	W2 abbreviation	Payment Cycle
Annuity	Annuity	Monthly
Annuity Type		
403B		

Object Codes

Certified Object	Classified Object	Other Object
vkly	xrfq	lwkf

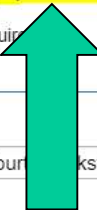
Options

<input type="checkbox"/> Suppress SSN ID	<input checked="" type="checkbox"/> Employer Health Coverage	<input type="checkbox"/> Print Employer Amount
<input checked="" type="checkbox"/> Voluntary	<input type="checkbox"/> Require	<input type="checkbox"/> Show On Create Wizard

Payee Information

Payee

Hiram Cafe (Number: 52066557) (Address: 979 Langan Court, Wapakoneta, OH, 26811)



Employer Sponsored Health Care Cost on W2 (continued)

- **If the district** only tracks the **employee** portion of health care costs in the USPS system, the district will need to create a spreadsheet using the appropriate header information with the Board YTD costs for Employee Health Insurance
- See SSDT Wiki on Mass Load: <https://wiki.ssdtohio.org/display/uspsrdoc/Mass+Load>



Employer Sponsored Health Care Cost on W2 (continued)

- **UTILITIES/MASS LOAD/ADJUSTMENTS** can be used to load a spreadsheet with any data not tracked in the payroll system into the **Core/Adjustments** record for Medical Insurance coverage.

USPS Load File No file chosen

Importable Entities: ▼

Employer Sponsored Health Care Cost (continued)

- Note-If you are not currently processing the board portion of paid medical insurance through USPS you can track Employer Sponsored Health Care portion through USPS
- If not wanting to use **Employer Distributions Submission**, leave **Object Codes** fields in Payroll Item Configuration record blank.



HEALTH REIMBURSEMENT ARRANGEMENT

- The IRS has added a new Code FF for Box 12. It will report the total amount of permitted benefits under a qualified small employer health reimbursement arrangement. This will allow eligible employers to pay or reimburse medical care expenses of eligible employees after the employees provide proof of coverage. Use this code to report the total amount of permitted benefits under a QSEHRA. The maximum reimbursement for an eligible employee under a QSEHRA is \$5,150 (\$10,450 if it also provides reimbursements for family members), before indexing for inflation.
- Eligible employers are those small employers with less than 50 Full-Time Equivalent employees (those who work 130 hours a month or 30 or more hours a week for 120 consecutive days). Another eligibility is that the employer does NOT offer a group health plan to any of their employees.
- You will need to add a value in **Core/Adjustments** for Health Reimbursement. Then this value will appear on the W2Tape file and W2FORM.DAT as a code FF with the amount in Box 12. The Health Reimbursement amount will also appear on the W2CITY.DAT file. The Health Reimbursement amount (HLTH REIMBURSE) will appear on the W2 Report under the employee's Federal heading, if there is an amount to report. The HLTH REIMBURSE amount will also total and appear in the Grand Totals and Report Totals, if there are any.

Health Reimbursement Arrangement on W2 (continued)



- Go to Core/Adjustments/Create

Adjustment Journal

✓ Save ✕ Cancel

Employee
Wagner, Morgan Joanne - ANON445

Payroll Item
Type: Federal Tax, Code: 001

Type	Transaction Date	Amount	Description
Health Reimbursement	10/15/18	100.00	

ANON107 Curtis Jan Taxable Gross 01/10/2018

W2 Report and Submission Features

- Program used to generate
 - W2 Report.XXX use as a Balancing report
 - W2 Form Data.XML files for laser printing
 - W2Tape.Seq file for file submission to SSA

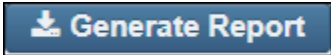


Pre-W2 Reporting



- Go to **Reports/W2 Report and Submission** before last pay of 2020 has been completed. Can be run as many times as necessary.
- **Output Type-Report**
 - **Format**-Choose format type desired from drop down
 - **Report Title**-Default is W2 Report. Can be changed if desired
 - **Federal ID Number**-Defaults from **Core/Organization**
 - **State ID Number**-Defaults from **Core/Organization**

Pre W2 Reporting

- **Kind of Employer**-S-State and Local Government Employer (non501c) automatically populates. Can be changed by using drop down
- **Sort Options**-Choose from drop down
- **Report for Year**-Current year defaults. Choose from drop down if change needed.
- Click 
 - Generate for “Report Employees with Errors Only?” first
 - Review and correct warnings and errors
 - Balance to-date data
 - See <https://wiki.ssdt-ohio.org/display/uspsrdoc/W2+Report+and+Submission> for error descriptions and help

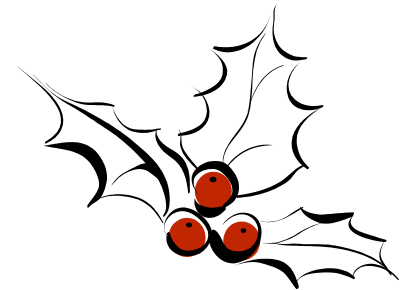


W2 Balancing

- Information on W2 Report should balance to:
 - 941 totals as reported
 - Run **Reports/Employee Earnings Register**
 - Payroll Items represents amounts withheld from employees for the calendar year
 - Run **Reports/Quarter Report**
 - Represents amounts as current in the YTD figures
 - Balance Federal, Ohio, and City taxes and gross amounts



W2 Balancing



941 data

.....

Federal tax w/h

1st qtr

2nd qtr

3rd qtr

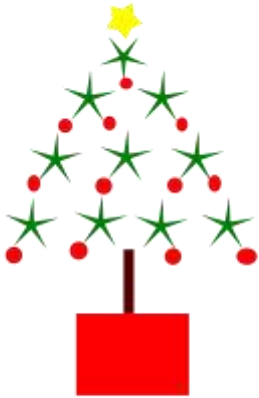
4th qtr

YTD

W2REPT Total



These 2 totals
should equal except
for special payments



W2 Balancing Earnings Register

		Payment Totals					
Total Gross		Total Dock			Total Net		
\$3,053,866.89		(\$4,329.14)			\$2,035,161.24		
Pay Items					Pay Accounts		
Code	Abbreviation	Employee Amt	Employer Amt	Position	FND-FUNC-OBJ-SPCC-SUBJCT-OPU-IL-JOB	Chg Amt	%
001	plyexiywitfpldacribb	284,329.02		1	001-1100-111-0000-000000-100-01-000	99,565.95	100.00
002	rmeaclkabxlegnalxkwx	64,181.47		1	001-2310-171-0000-000000-300-00-000	1,530.00	100.00
003	gybatrotaytqlfhlwn	44,026.00		1	001-4590-113-0000-000000-200-00-000	26,628.86	100.00
006	vvcroarwdgliydgskfp	631.71		1	001-2510-149-0000-000000-300-00-000	31,698.54	100.00
008	uhcjkfbfgtcgkxnped	266.56		1	001-2510-141-0000-000000-300-00-000	66,573.19	0.00
009	iuievuitxxrubfvqgcb	2,460.29		1	001-2510-152-0000-000000-300-00-000	270.00	0.00
400	zjwfxffjolezhlgchwi		81,886.26	1	001-2822-142-0000-000000-000-00-000	2,425.22	100.00
450	yehgrznqpnoxlzztzm		344,151.26	1	001-1100-111-0000-000000-100-14-000	131,142.49	100.00
508	rodgxsibsksnzqbjtsbb	21,100.00		1	001-2700-142-0000-000000-000-00-000	3,250.60	100.00
514	bvxpodzgsugxijwutcyi	2,400.00		1	001-4530-113-0000-000000-200-00-000	13,393.34	100.00
550	cmnjzpfxoejmwwonann	600.72	39,415.50	1	001-1100-111-0000-060000-200-00-000	42,126.20	100.00
563	wxgynxjcwbpnpojeibtd	1,111.29		1	001-1100-111-0000-000000-100-03-000	90,693.32	100.00
564	dgprjbmngczsjuccfyrug	284.44		1	001-4550-143-0000-000000-200-00-000	3,569.72	100.00
565	girazzyovibxuyhldme	1,170.81		1	001-1280-111-0000-000000-100-15-000	65,744.42	100.00
566	sbtchdevcdsyfwgappz	4,709.52		1	439-1280-111-9017-000000-000-00-000	36,095.36	0.00
		76,660.54		1	300-4540-143-9500-000000-200-00-000	1,674.58	0.00
		38,350.00	125,272.24	1	300-4520-143-9500-000000-200-00-000	1,529.79	0.00
		47,417.17		1	300-4530-143-9500-000000-200-00-000	4,058.04	0.00

Amounts in this column on Earnings Register should be used for balancing

W2 Balancing Quarter Report



Deduction Items Summary

Deduction Name	DED	QTD Total	YTD Total	FTD Total	QTD Taxable	YTD Taxable
Federal Tax	001	\$0.00	\$11,757.08	\$0.00	\$0.00	\$101,391.60
Ohio State Tax	002	\$0.00	\$2,671.65	\$0.00	\$0.00	\$101,391.60
City Tax	003	\$0.00	\$1,754.83	\$0.00	\$0.00	\$116,987.30
City Tax	006	\$0.00	\$25.15	\$0.00	\$0.00	\$5,028.60
State Tax	009	\$0.00	\$73.52	\$0.00	\$0.00	\$1,729.79
Annuity	508	\$0.00	\$1,060.00	\$0.00	\$0.00	\$0.00
Annuity	514	\$0.00	\$100.00	\$0.00	\$0.00	\$0.00
Health Savings Account	550	\$0.00	\$10.48	\$0.00	\$0.00	\$0.00
Annuity	563	\$0.00	\$46.00	\$0.00	\$0.00	\$0.00
Annuity	564	\$0.00	\$12.24	\$0.00	\$0.00	\$0.00
Annuity	565	\$0.00	\$50.08	\$0.00	\$0.00	\$0.00
Annuity	566	\$0.00	\$198.72	\$0.00	\$0.00	\$0.00
Annuity	569	\$0.00	\$3,393.83	\$0.00	\$0.00	\$0.00
Health Savings Account	570	\$0.00	\$1,646.00	\$0.00	\$0.00	\$0.00
SERS Annuity	590	\$0.00	\$1,846.94	\$0.00	\$0.00	\$0.00
STRS Annuity	591	\$0.00	\$12,396.68	\$0.00	\$0.00	\$0.00
Regular	600	\$0.00	\$27.95	\$0.00	\$0.00	\$0.00
Regular	603	\$0.00	\$1,380.47	\$0.00	\$0.00	\$0.00
Regular	604	\$0.00	\$311.31	\$0.00	\$0.00	\$0.00
Regular	612	\$0.00	\$10.00	\$0.00	\$0.00	\$0.00
Child Support			\$946.97	\$0.00	\$0.00	\$0.00
Regular			\$210.12	\$0.00	\$0.00	\$0.00
Regular			\$42.45	\$0.00	\$0.00	\$0.00
Regular			\$333.79	\$0.00	\$0.00	\$0.00
Regular			\$199.37	\$0.00	\$0.00	\$0.00
Employer SERS			\$455.31	\$0.00	\$0.00	\$0.00
Employer STRS	691	\$0.00	\$1,461.00	\$0.00	\$0.00	\$0.00

Amounts in this column on
Quarter Report should be used
for balancing

W2 Balancing W2 Report



Report Summary						
Code	Description	Count	Tax Withheld	Taxable Gross	Total Gross	Annuities
001	Federal Tax	75	\$11,420.39	\$101,583.68	\$122,197.73	\$20,614.05
	Medicare Pickup		\$192.08			
	Emplr Hlth Coverage		\$26,061.61			
	HSA		\$124,855.51			
	457		\$1,160.00			
	Section 125		\$5,210.43			
002	Ohio State Tax	75	\$2,598.16	\$101,583.68	\$122,197.73	\$20,614.05
003	City Tax	75	\$1,754.83	\$116,987.30	\$122,197.73	\$5,210.43
006	City Tax	3	\$25.15	\$5,028.60	\$6,360.54	\$1,331.94
			\$73.52	\$1,729.79	\$2,238.13	\$508.34
			\$1,696.37	\$116,987.30	\$122,005.65	\$0.00
			\$144.91	\$7,272.67	\$8,952.93	\$1,680.26

Amounts in this column on W2 Report should be used for balancing



W2 Balancing

- Items that affect balancing between W2 Report and Quarter (See Specific Affects documentation)
 - Dependent care benefits over limit
 - Fringe Benefits
 - Medicare pickup amounts
 - Taxable third party sick pay
 - Use of company vehicle
 - FFCRA COVID-19 amounts
 - Employee expense reimbursements paid through warrant

W2 Balancing



- Dependent care benefits
 - Amounts over limit (\$5,000.00) are added to total and taxable gross amounts on Federal, Ohio and City total and taxable gross fields on the W2 Report
 - Ex-If \$6000.00 is added to Adjustments/Dependent Care on the 001 record, \$1000.00 will be added to total and taxable gross fields as stated above.
 - This will cause gross amounts on W2 Report to be higher.

Adjustments/ Dependent Care



Adjustment Journal

✓ Save ✕ Cancel

Employee
Nieves, Brooklyn Pete - ANON781

Payroll Item
Type: Federal Tax, Code: 001

Type	Transaction Date	Amount	Description
Dependent Care	10/5/18	6,000.00	



W2 Balancing

- Fringe Benefits
 - An Adjustments/Fringe Benefits entry on the 001 record adds all fringe benefit amounts to total and taxable gross amounts on Federal and Ohio records
 - Will cause gross amounts on W2 Report to be higher



Fringe Benefits

Adjustment Journal + x

Employee
Nieves, Brooklyn Pete - ANON781

Payroll Item
Type: Federal Tax, Code: 001

Type	Transaction Date	Amount	Description
Fringe Benefits	10/5/18	200.00	

ANON18 Louis Date Amount Withhold 01/01/2018

W2 Balancing



- Medicare Pickup
 - Amount added to total and taxable gross amounts on Federal, Ohio and OSDI records
 - Will cause gross amounts on W2 Report to be higher.

W2 Balancing

- If ‘**Tax Employer Amounts**’ option is **not** used on the city tax record on the Payroll Item Configuration record (Tax Employer Amounts box **unchecked** on Payroll Item Configuration)
 - The Medicare Pickup box should be checked if the city taxes the Medicare pickup
 - The Medicare pickup is added to the city total and taxable gross amounts on the W2 Report.
 - Employee pays tax after the fact



W2 Balancing



Payroll Item Configuration

Type City Tax	Code 003	Name Riverside Motors
abbreviation City Tax	W2 abbreviation City Tax	Payment Cycle Quarterly
Tax Entity Code zrqdmybg		

CCA

CCA	CCA Description	<input type="checkbox"/> Report To CCA
-----	-----------------	--

City Tax Annuity Options

<input type="checkbox"/> Annuity 401 a	<input type="checkbox"/> Annuity 401 k	<input type="checkbox"/> Annuity 403 b
<input type="checkbox"/> Annuity 408 k	<input type="checkbox"/> Annuity 457	<input type="checkbox"/> Annuity 501 c
<input checked="" type="checkbox"/> Non Wages 125	<input type="checkbox"/> Other	<input type="checkbox"/> Wages 125

Options

<input type="checkbox"/> Suppress SSN ID	<input type="checkbox"/> Employer Health Coverage	<input type="checkbox"/> Job Level
<input checked="" type="checkbox"/> Medicare Pickup	<input type="checkbox"/> Tax Employer Amounts	<input checked="" type="checkbox"/> Tax Non Cash Earn
<input type="checkbox"/> Voluntary	<input type="checkbox"/> Required	<input checked="" type="checkbox"/> Show On Create Wizard

Payee Information

Payee
Nicholls Signs (Number:) (Address: 909 Moore Drive, Savannah, OH, 42608)

RITA

RITA ezn	RITA Description sbxcfxorp
-------------	-------------------------------

W2 Balancing



- If the ‘**Tax Employer Amount**’ is used on the city tax record (Tax Employer Amounts box **checked** on Payroll Item Configuration)
 - The tax is withheld during the payroll

Payroll Item Configuration

Save Cancel

Type City Tax	Code 003	Name Riverside Motors
abbreviation City Tax	W2 abbreviation City Tax	Payment Cycle Quarterly
Tax Entity Code zrqdmybg		
CCA		
CCA	CCA Description	<input type="checkbox"/> Report To CCA
City Tax Annuity Options		
<input type="checkbox"/> Annuity 401 a	<input type="checkbox"/> Annuity 401 k	<input type="checkbox"/> Annuity 403 b
<input type="checkbox"/> Annuity 408 k	<input type="checkbox"/> Annuity 457	<input type="checkbox"/> Annuity 501 c
<input checked="" type="checkbox"/> Non Wages 125	<input type="checkbox"/> Other	<input type="checkbox"/> Wages 125
Options		
<input type="checkbox"/> Suppress SSN ID	<input type="checkbox"/> Employer Health Coverage	<input type="checkbox"/> Job Level
<input checked="" type="checkbox"/> Medicare Pickup	<input checked="" type="checkbox"/> Tax Employer Amounts	<input checked="" type="checkbox"/> Tax Non Cash Earn
<input type="checkbox"/> Voluntary	<input type="checkbox"/> Required	<input checked="" type="checkbox"/> Show On Create Wizard
Payee Information		
Payee Nichols Signs (Number:) (Address: 909 Moore Drive, Savannah, OH, 42608)		
RITA		
RITA e2n	RITA Description sbxcfxorp	

Taxable Third Party Sick pay



- Taxable Third Party Sick Pay
 - Users need to add the Third Party Sick pay amount using **Adjustments/Total Gross and Adjustments/Taxable Gross** on the Federal (001), Ohio (002) and OSDI (8XX) records as needed
 - Will cause gross amount on W2 Report to be higher
 - See Third Party Sick Pay Instructions Document
 - See Third Party Sick Payment Notification Example Document

W2 Balancing Third Party Sick Pay

Adjustment Journal

Save Cancel

Employee
Branch, Ryan Pam - ANON564

Payroll Item
Type: Federal Tax, Code: 001

Type	Transaction Date	Amount	Description
Total Gross	10/5/18	500.00	

Adjustment Journal

Save Cancel

Employee
Branch, Ryan Pam - ANON564

Payroll Item
Type: Federal Tax, Code: 001

Type	Transaction Date	Amount	Description
Taxable Gross	10/5/18	500.00	

Non-Taxable Third Party Sick Pay



- Non-taxable third party sick pay
 - Does not affect balancing
 - Does not affect taxes
 - Add amount using **Adjustments/Third Party Pay** to the Federal Tax (001) record.
 - District is notified how much to enter by third party
 - This amount will print in Box 12 with a code ‘J’



Non-Taxable Third Party Sick Pay

Adjustment Journal + x

Employee
Branch, Ryan Pam - ANON564

Payroll Item
Type: Federal Tax, Code: 001

Type	Transaction Date	Amount	Description
Third Party Pay	10/5/18	1,500.00	

ANON440 Lewis Blake Amount Withheld 01/01/2018

W2 Balancing- Company Vehicle



- Use of Company Vehicle Field
- Add amount using **Core/Adjustments/Vehicle Lease** to the Federal Tax (001) record.
 - This adds the Vehicle Lease amount from the 001 Federal record to the total and taxable gross fields on the Federal (001), and Ohio (002) total and taxable gross fields on the W2 Report.
 - Will cause the gross amounts on W2 Report to be higher

Use of Company Vehicle

Adjustment Journal + x

Employee
Branch, Ryan Pam - ANON564

Payroll Item
Type: Federal Tax, Code: 001

Type	Transaction Date	Amount	Description
Vehicle Lease	10/5/18	2,000.00	




Employee Expense Reimbursements



- If district wants employee reimbursements originally paid through USAS to appear on the W2 as wages, Adjustments will be made. This will create a balancing difference between Quarter Report and W2 Report
- May cause W2 Report to show higher gross amounts than actually paid through USPS
- See ‘Reimbursements of Employee Expenses’ document for more details

Balancing Problems



- Voided checks from prior calendar year
 - Go to **Payments/Check Register** filter the Transaction Date as 01/01/2020..12/31/2020 and Status as V. This will pull in all voided checks dated between 01/01/20 and 12/31/20.
 - The report option can then be used to create a report of all voided checks.
- To pull all Refund of annuity withheld in prior calendar year
 - Go to **Payments/Refund Checks** Show Transaction Date on grid and then filter **01/01/2020..12/31/2020** click on  **Report**.
 - Do the Same option on the **Refund ACH** Tab

Balancing Problems (continued)

- Manual Updates
 - Go to **Core/Adjustments**
 - Filter **Transaction Date 1/01/20..12/31/20**
 - Filter **Code 001**
 - Search for any **Types** manually added like Fringe Benefit, Health Insurance, Dependent Care, Vehicle Lease, etc.
 - Filter **Type** that is out of balance like Total Gross, Amount Withheld, etc.



W2 Report

Report Summary

Code	Description	Count	Tax Withheld	Taxable Gross	Total Gross	Annuities
001	Federal Tax	75	\$11,420.39	\$101,583.68	\$122,197.73	\$20,614.05
	Medicare Pickup		\$192.08			
	Emplr Hlth Coverage		\$26,061.61			
	HSA		\$124,855.51			
	457		\$1,160.00			
	Section 125		\$5,210.43			
002	Ohio State Tax	75	\$2,598.16	\$101,583.68	\$122,197.73	\$20,614.05
003	City Tax	75	\$1,754.83	\$116,987.30	\$122,197.73	\$5,210.43
006	City Tax	3	\$25.15	\$5,028.60	\$6,360.54	\$1,331.94
009	State Tax	1	\$73.52	\$1,729.79	\$2,238.13	\$508.34
692	Medicare Tax	71	\$1,696.37	\$116,987.30	\$122,005.65	\$0.00
800	OSDI Tax	6	\$144.91	\$7,272.67	\$8,952.93	\$1,680.26

Special amounts
for W2s

From
Payroll
Item



Total Gross minus
Taxable Gross

Common W2 Error Messages

- **Warning:** Calculated annuity amount exceeds the total annuities
 - Indicates the total gross minus taxable gross is greater than total annuities from the YTD deduction amounts
 - Indicates possible problem with annuity amounts, gross or taxable gross
 - Verify manual adjustment updates
 - Verify error adjustments



Common W2 ErrorMessage

- **Error: Invalid SSN**
 - SSA defines series of SSNs as invalid
 - Verify SSN with employee's SS card
 - Go to Core/Employees-Using the grid locate the employee. Click  and update the SSN with the correct SSN. Click 



Common W2 Error Messages

- **Error:** Medicare amount does not equal 1.45% of Medicare gross
 - Medicare tax may be incorrect
 - Verify amounts
 - SSA/IRS may not accept with incorrect amounts



Common W2 Error Messages

- Verify manual adjustment updates
- Check Medicare pickup records
 - Must have 692 or 693 with 2.9%



Common W2 Error Messages

- **Warning: Negative annuity on file for this employee. Assuming zero**
- A total negative annuity indicates a check was voided from a prior calendar year in the current calendar year. Run the REPORTS/PAYMENT TRANSACTION STATUS REPORT option to attempt to isolate the problem. If this is the case, you will need to zero the negative amount of the annuity and file a W2-C form for the previous calendar year

OR

- If desire to report it as if withheld and refunded in current calendar year
 - Use **Core/Adjustment** and zero annuity amount by entering a positive figure that coincides with that negative figure.
 - Use **Core/Adjustments** and increase total gross amounts on Federal, Ohio, OSDI and city, if the city honored the annuity initially



Common W2 Error Messages

- **Info-Pension Plan flag on Federal record is overriding W2 calculations**
 - If the Federal Payroll Item has the Pension Plan marked “No, never check the pension plan box”, but finds an active retirement record
 - If Federal Payroll Item has the Pension Plan marked to “Automatically check the pension plan box based on retirement” or “Yes, check the pension plan box” but does not find an active retirement record
 - Common to receive this informational for students who do not participate in SERS
 - No action is needed



Common W2 Error Messages

- **Info:Payroll Item XXX:**Possible error in OSDI gross or tax
 - Indicates taxable OSDI wages but no tax was withheld
 - Common informational for employees who have smaller wage amounts per payroll
 - Verify amounts
 - Usually no action is needed



Common W2 Error Messages

- **Warning:**Federal Total annuities \$xxxx.xx does not equal total gross less taxable gross
 - Calculated annuity amount (total gross less taxable) does not match the YTD annuity amounts from Payroll Item
 - Program compares total annuities from Payroll Items to total gross less taxable gross calculation, uses federal tax record
 - Possible problem with annuity total
 - Possible problem with total gross
 - Possible problem with taxable gross



Common W2 Error Messages

- Federal Total annuities \$xxxx.xx do not equal total gross less taxable gross (continued)
 - Verify manual adjustment updates
 - Verify refund of deductions
 - If refund from prior calendar year and district wants it to appear as if amounts were withheld and refunded in current calendar year
 - » Increase total gross on Federal, Ohio, OSDI and city if they initially honored the annuity by using **Core/Adjustments**



Common W2 Error Messages

- **Error:** This employee's Medicare wages are less than their Social Security wages
 - The Medicare gross wages amount is incorrect or the FICA (Social Security) gross wages amount is incorrect. Please update the gross amount on the Medicare or FICA **Payroll Item** that has the incorrect amount, by using Core/Adjustments. This error should be corrected before creating a tape. The Social Security Administration will contact the district if this error is not fixed.

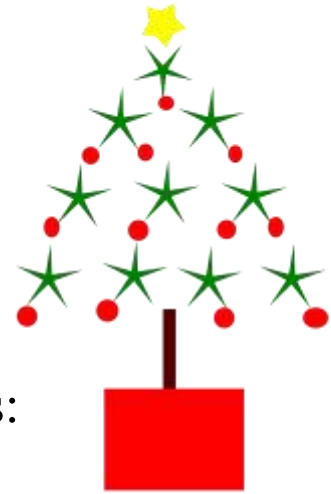


2020 W2 Reporting- W2 Submission Files



- Go to **Reports/W2 Report and Submission**
- **Output Type-Submission**
 - **Federal ID Number**-Defaults from **Core/Organization**
 - **Additional Federal ID Number**-Can be added if needed
 - **State ID Number**-Defaults from **Core/Organization**
 - **Kind of Employer**-S-State and Local Government Employer (non501c) automatically populates. Can be changed by using drop down. **See next slide.**
 - **Sort Options**-Choose from drop down
 - **Report for Year**-Current year defaults. Choose from drop down if change needed
 - **Employer Name**-Defaults from **Core/Organization**

Kind of Employer



- You will need to specify what type of employer your district is:
 - The Kind of Employer can be one of the following:
 - F = Federal Government
 - S = State and Local Governmental Employer (non 501c)
 - T = Tax Exempt Employer
 - Y = State and Local Tax Exempt Employer (501c)
 - N = None Apply

If the school district is part of a local government and has NOT applied for 501C status, they will choose State/local non 501c (S)

If the school has applied for 501C status and was granted that non profit status they choose State/local 501c (Y)



2020 W2 Reporting- Submission Files(continued)

- **Employer Address first line-Defaults from Core/Organization**
- **Employer Address second line-Defaults from Core/Organization**
- **Employer City- Defaults from Core/Organization**
- **Employer State-Defaults from Core/Organization**
- **Employer Zip Code-Defaults from Core/Organization**
- **Contact Name-**Required****
- **Contact Phone Number-**Required****
- **Contact Phone Extension-Optional**
- **Contact Fax Number-Optional**
- **Contact Email Address-**Required****



2020 W2 Reporting- Submission Files(continued)

To create SSA submission file click

[Generate SSA W2 Submission File](#)

To create CCA submission file click

[Generate CCA W2 Submission File](#)

To create RITA submission file click

[Generate RITA W2 Submission File](#)

To create city tape file go to the ‘W2 City Options’ tab
and click

[Generate City W2 Submission File](#)

W2 Files and Submission

- W2CITY.XML file used for special city submissions
- W2TAPE.seq submission file is used to report
 - Federal
- W2CCA.seq submission file for CCA
- W2RITA.seq submission file for RITA



W2 Files and Submission

- W2 State Option is used to create:
 - State of Ohio W2 Submission File
 - State of Indiana W2 Submission File
 - State of Michigan W2 Submission File
 - Others: Kentucky, West Virginia,
and Pennsylvania



W2 Files and Submission

- To create State tape file(s) click the ‘W2 State’ button and then click the applicable State wishing to create the submission file for.
- Each State setup is unique so populate accordingly:
 - Indiana – 10 digit Tax Payer ID, 3 digit TID Location
 - PA or VW – ask NOACSC for additional information



W2 XML File

- Go to **Reports/W2 Report and Submission**
- **Output Type-Choose XML**
 - **XML-W2 Form Data** is default. Title-Can be changed if desired
 - **Federal ID Number**-Defaults from **Core/Organization**
 - **State ID Number**-Defaults from **Core/Organization**
 - **Kind of Employer**-S-State and Local Government Employer (non501c) automatically populates. Can be changed by using drop down. **See slide 87.**




W2 XML File (continued)

- **Report for Year**-Current year defaults. Choose from drop down if change needed.
- **Employer Name**-Defaults to district name from **Core/Organization**.
- **Employer Address First Line**-Defaults to first line address from **Core/Organization**
- **Employer Address Second Line**-Defaults to second line address from **Core/Organization**



W2 XML File (continued)

- **Employer City-Defaults to City from Core/Organization.**
- **Employer State-Defaults to State from Core/Organization.**
- **Employer Zip Code-Defaults to Zip Code from Core/Organization**
- **Click** 



W2 XML File (continued)

- This XML file will be used to print out the W2's for the district from the EDGE printing software.



W2 XML File (continued)



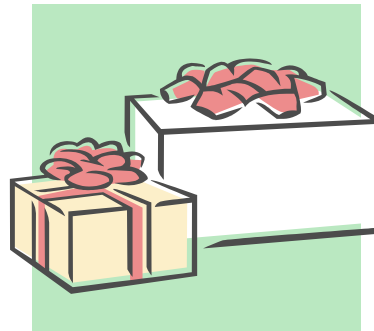
– Additional deduction codes

- Allows districts to print additional information in box 14, “Other”
- Six can be entered
 - Leased vehicle value is always included
 - FFCRA – COVID-19 codes
 - Other user values are secondary
 - Prints the first 3 for each employee in the order entered

***Note – If Vehicle Lease, and all three FFCRA types are entered for an employee, Vehicle Lease and the first two FFCRA types will be included Box 14. The Emergency FFCRA type would not be included, as only 3 types are allowed.**

W2 Instructions Reviewed

- Specific details on W2 form reporting requirements
 - Found at
 - <http://www.irs.gov/pub/irs-pdf/iw2w3.pdf>



W2 Instructions Reviewed

- Corrections (Page 25- 2020 Instructions for Forms W-2 and W-3)
 - Use W2-C form
 - A W3-C form must accompany a W2-C form
 - W3-C form corrects totals submitted on tape file by ITC
 - Incorrect address
 - W2-C form not required



W2 Instructions Reviewed

- Deceased employee's wages (Page 8 -2020 Instructions for Forms W-2 and W-3
 - If payment is made in year employee died
 - W2 reporting required
 - 1099 reporting required
 - If payment is made in year after the death of employee
 - 1099 reporting required



W2 Instructions Reviewed

- Designated Roth IRA amounts (Page 8 - 2020 Instructions for Forms W-2 and W-3)
- Educational Assistance (pages 9)
 - Verify taxability with legal advisor
- Employee business expense reimbursements (Page 9)
 - Verify taxability with legal advisor



W2 Instructions Reviewed

- Employee taxes paid by employer (Page 9 and 16 -2020 Instructions for Forms W-2 and W-3)
 - Medicare pickup
- Fringe benefits (Page 10)
 - Verify taxability with legal advisor
- Group-term life insurance (Page 10)
 - Over \$50,000 provided
 - Must use Publication 15-B table and calculate taxable value of premium, page 13-15
 - NOTE: Print 15-B now – IRS updates this early for new tax year



W2 Instructions Reviewed

- Health Savings Account (HSA) (Page 11- 2020 Instructions for Forms W-2 and W-3)
- Lost W2 form (Page 11)
 - Go to Reports/W2 Report and Submission/Forms
 - Will create a PDF copy; will NOT be an official copy
 - **Go to File Archive/W2Archive**
 - **Looks more like an official copy**
 - Contact us if you need a press and sealed W2

W2 Instructions Reviewed

- Moving Expenses (Page 11 -2020 Instructions for Forms W-2 and W-3)
 - Only for members of the US Armed Forces
- Third Party Sick Pay (Page 13)
 - Verify taxability using information received from annuity company
 - Pages 16-21 in Publication 15-A includes specific instructions

<http://www.irs.gov/pub/irs-pdf/p15a.pdf>



W2 Instructions Reviewed

- Box a (Page 15 -2020 Instructions for Forms W-2 and W-3)
 - Employee SSN as entered in Employee Screen
- Box b (Page 16 -2020 Instructions for Forms W-2 and W-3)
 - Federal EIN
- Box c (Page 16 -2020 Instructions for Forms W-2 and W-3)
 - Employer information as entered in W2 Report

W2 Instructions Reviewed

- Boxes e and f (Page 16-2020 Instructions for Forms W-2 and W-3)
 - Employee's name and address
 - Data from Employee Screen
 - Uses legal name if non-blank
 - Uses name field if legal name is blank
- Box 1 (Page 16)
 - Wages from Federal taxable gross amount





W2 Instructions Reviewed

- Box 2 (Page 17 - 2020 Instructions for Forms W-2 and W-3)
 - Tax withheld for YTD on Federal tax record
- Box 3 (Page 17)
 - Social security wages from 692/693 records flagged as a Payroll Item-Social Security Tax



W2 Instructions Reviewed

- Box 4 (Page 17 -2020 Instructions for Forms W-2 and W-3)
 - Social security taxes withheld from the 692/693 and 692/693 records flagged as Payroll Item-Social Security Tax
- Box 5 (Page 17)
 - Medicare wages from 692/693 records flagged with a Payroll Item-Medicare



W2 Instructions Reviewed

- Box 6 (Page 18 - 2020 Instructions for Forms W-2 and W-3)
 - Medicare taxes withheld on the 692/693 records flagged as Payroll Item-Medicare
- Box 10 (Page 18)
 - Dependent care benefits as entered through Adjustments on Federal 001 record

W2 Instructions Reviewed

- Box 12-Codes (Pages 18-22 -2020 Instructions for Forms W-2 and W-3)
 - Code C
 - Group-term life over \$50,000 cost
 - Code D
 - 401(k) amounts
 - Code E
 - 403(b)



W2 Instructions Reviewed

- Code F
 - 408(k)(6)
- Code G
 - 457(b) 457(f)
- Code H
 - 501 c(18)(D)
- Code J
 - Non taxable sick pay



W2 Instructions Reviewed

- Code P
 - Excludable moving expenses
(US Armed Forces only)
- Code T
 - Adoption benefits
- Code W
 - Employer contributions to Health Savings Accounts
 - Employer contributions include section 125 annuity amounts the employee contributes
- Code AA
 - Designated Roth contributions under a section 401(k)



W2 Instructions Reviewed

- Code BB
 - Designated Roth contributions under a 403(b)
- Code DD
 - Cost of employer-sponsored health coverage
- Code EE
 - Designated Roth contributions under a governmental section 457 (b) plan
- Code FF
 - Permitted benefits under a qualified small employer health reimbursement arrangement
 - Max reimbursement amount for single \$5250.00 and family \$10,600.00



W2 Instructions Reviewed

- Box 13 – (Page 22-2020 Instructions for Forms W-2 and W-3)
 - Retirement plan
 - 401(a)
 - 401(k)
 - 403(b)
 - 408(k)
 - 501c(18)
 - Notice 87-16 defines “active participant”



W2 Instructions Reviewed

- Box 14 - Other (Page 22-2020 Instructions for Forms W-2 and W-3)
 - Value of vehicle lease from Federal tax record
 - FFCRA – COVID-19
 - Other deductions entered in W2 Report
 - Optional possibilities include
 - Union dues
 - Retirement



W3 Instructions Reviewed

- W3 form
 - Not required unless filing on paper
 - Totals on W2 submission file created by W2 Report is the substitute for the W3 form



Post W2 Processing

- Corrections before files have been submitted to SSA
 - Files can be recreated as many times as needed



Post W2 Processing

- Corrections after submission of files by ITC
 - In this scenario a W2C and W3C will have to be submitted by the district



Preparing for 2021



- Enter changes in tax withholding rates effective January 1, 2021
 - **City rates**
 - <https://thefinder.tax.ohio.gov/StreamlineSalesTaxWeb/Download/MuniRateTableInstructions.aspx>
 - Click on *Municipal Income Tax Rate Database Table*
 - **OSDI rates**
 - <https://thefinder.tax.ohio.gov/StreamlineSalesTaxWeb/default/schooldistrict.aspx>
 - Click on *School District Income Tax Rate Database Table*

Preparing for 2021 (continued)

-CCA City Rates-

- <http://ccatax.ci.cleveland.oh.us/?p=taxrates>

-RITA City Rates-

- <https://www.ritaohio.com/TaxRatesTable>

Preparing for 2021 (continued)

- Unsure if employee should be taxed
- https://thefinder.tax.ohio.gov/StreamlineSalesTaxWeb/default_schooldistrict.aspx

Lookup Tax Rate

- Address
- Zip Code 5 digit or 9 digit
- Latitude/Longitude



Preparing for 2021 (continued)

- After W2s have been printed and submitted, the COVID-19 fields need to be cleared out on the Federal 001 records.



Mass Changing Payroll Item Rates

Use the Mass Load option or the Mass Change definition option on Payroll Items-

Mass Load

- Go to Reports/Custom report Creator
- Select the correct Object (Annuity Item, Regular Item, City Tax Item, etc)
- Choose the fields you want included on your file
- Configure filters as needed (Ex. Display name-Code Operation-Equals Filter Value-param("specificConfigurationCode"))
- Click Generate Report
- Format-Choose Excel-FieldNames
- Specify the Payroll Item Code you wish to make the changes to
- Click Generate Report
- Make any necessary changes to the rate, etc on your file and then click Save As and choose CSV (Comma Delimited)
- You can then use Utilities/Mass Load and select your csv file and the appropriate Importable Entity. Click on Load and the changes from the csv file will be made to the appropriate payroll item records.



Mass Changing Payroll Item Rates (continued)

Mass Change option

- Go to Core/Payroll Items screen
- Filter the Code you are wishing to change by using the grid and entering in the code number you may wish to filter on the rate as your second filter option. So if you enter a specific code and specific rate only records that meet that criteria will appear on the screen.
- Click the Mass Change button
- In Maintenance Mode-Under Script Definition choose “rate”
- In the New Value field enter in the new rate
- Under Definition Name give the change a name Ex. Rate Change
- Click Save
- Now select Execution Mode
- Under Load Definition select the definition that you created-Rate Change
- Click Submit Mass Change
- All filtered records now should display the updated rate change

Note-We suggest that the ITC’s perform Mass Change operations until districts become more familiarized with this feature

